

The Lean Culture Transformation at Enterprise Services

Our Journey So Far

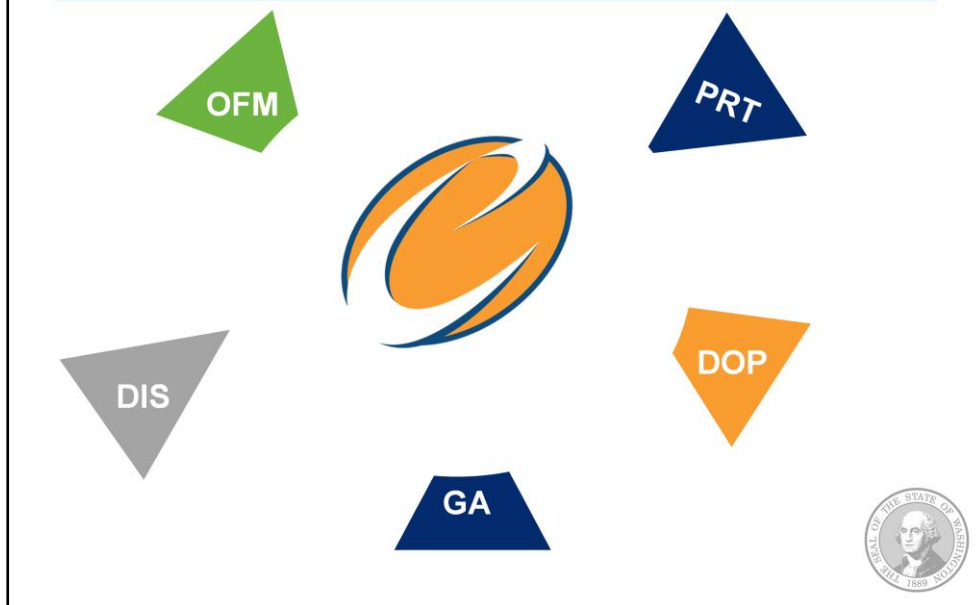
*This presentation was delivered at
the Washington State Government Lean
Transformation Conference Plenary Session
on October 16, 2013
by Renee Smith Nyberg
Enterprise Services Lean Program Manager*





At the Lean conference in 2012, the metaphor of the Lean Journey really resonated with our agency. This seemed to capture our long-range, ongoing effort to build Lean culture. Today I am going to share about our Lean journey so far with some postcards from our Lean travels. We have not arrived at our destination yet, but we do want to share what we've seen so far, and where we plan to go next on our journey.

What is Enterprise Services?



First, let me quickly introduce you to Enterprise Services. We are the central services agency of state government and were born just 2 years ago on October 1, 2011. The authorizing legislation charged the agency with creating efficiencies in state government.

Enterprise Services combines services from:

- The former department of General Administration
- Printing
- Parts of Personnel and Information Services,
- Plus several divisions from the Office of Financial Management.

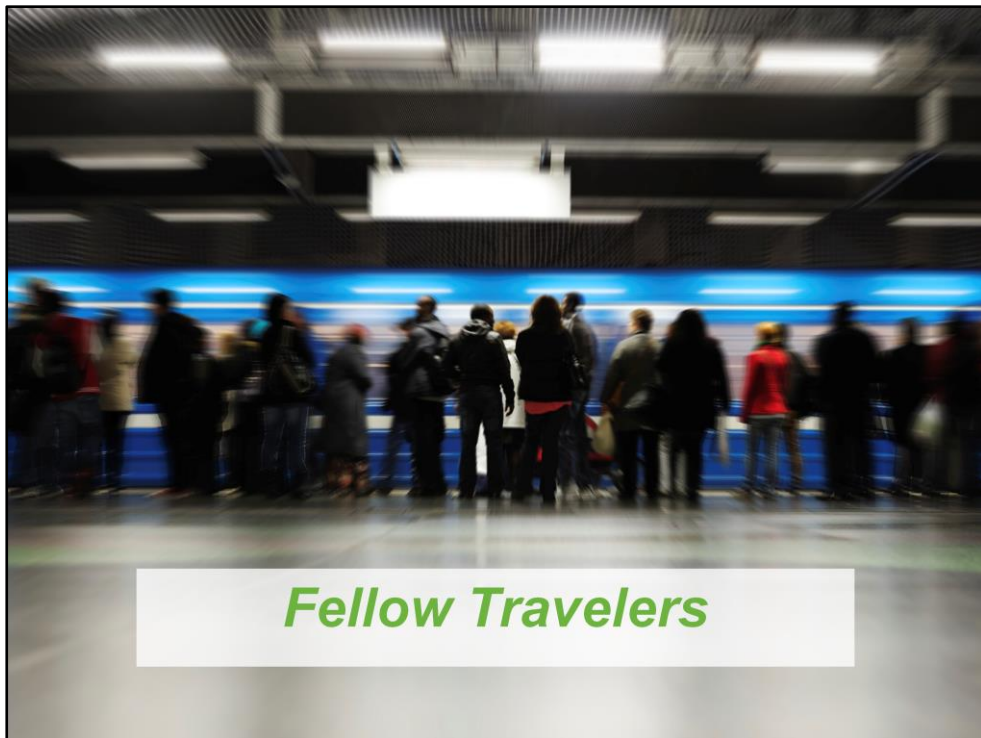
We provide a wide range of centralized services to other agencies:

- Information technology systems
- Printing and communications solutions
- Contracts for goods and services
- HR guidance and employee services
- Financial guidance and risk management
- Stewardship, oversight and planning of state facilities
- Managing mail, vehicles and surplus operations

Our People



Our people are committed to serving customers which are both the citizens and the rest of state government.



Fellow Travelers

I want to acknowledge our fellow travelers on this journey. Many other agencies have Lean champions who are doing remarkable work developing Lean culture. We regularly collaborate and share resources.

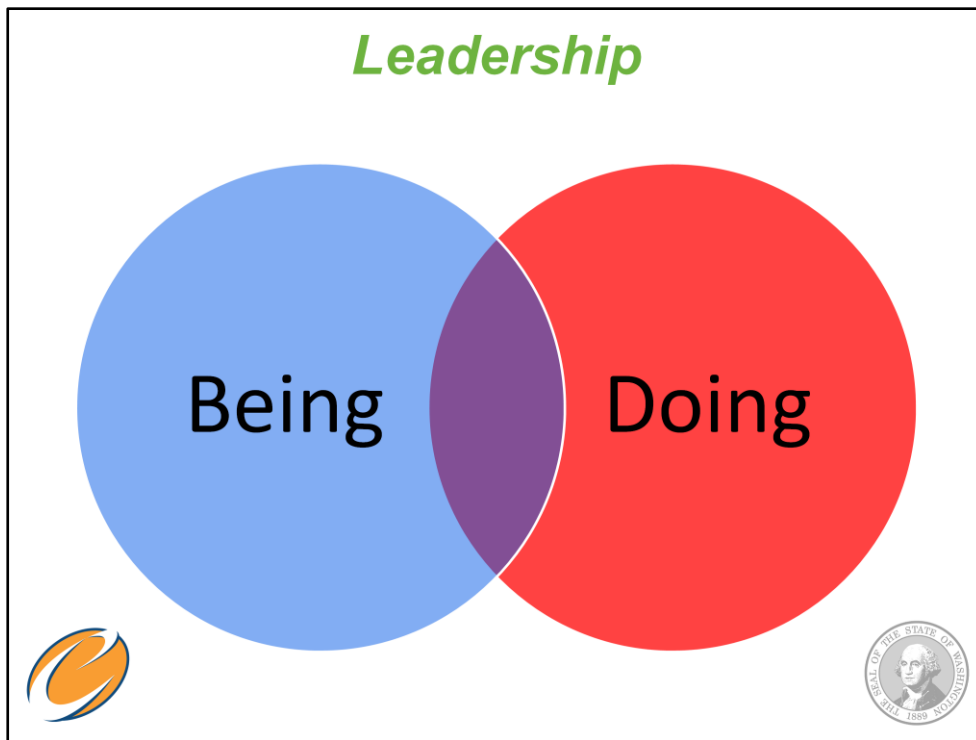
It's inspiring to work with such a talented, generous, creative group of professionals. Today Enterprise Services is honored to represent the efforts of this group. I also want to acknowledge the Enterprise Services Process Improvement Consultants: Crystal Hart, Heather Dumas, Jacob Skeers, and Sarah Mollas.

They are committed to building Lean culture at Enterprise Services. Their exceptional skills with leaders and teams is a reason we've made it this far in our Lean journey.

Preparing for the Journey



Every successful journey requires good preparation. For Enterprise Services these include leadership, internal capacity, and a clear destination.



Enterprise Services Senior Leaders realized that they needed to embrace their own personal Lean leadership journey. They were willing to start with looking at their own leadership first and to consider not only what did they need to do differently, but how they need to be different in a Lean organization.

It started with their own relationships, how they show up with each other in Management Team meetings. They discussed how they create safety and trust with each other and how they demonstrate respect to each other.

They are modeling the way for managers learning to lead by coaching and asking questions.

Building Internal Lean Capacity

Central Lean Office:

1 Manager

4 Consultants

1 Data Analyst

.25 Administrative Support

+ 7 part-time Practitioners (2.0 FTE) embedded in divisions to support Lean culture.

Total Lean FTE = 8.25 FTE (apx .0825% FTE)

Target = no more than 1% of FTE.



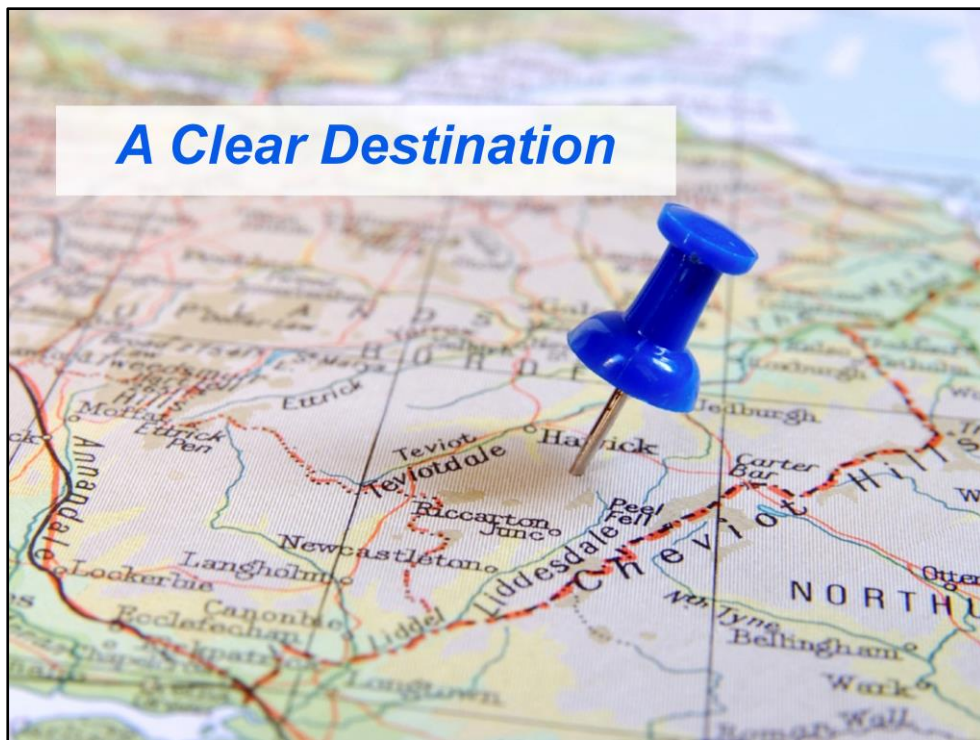
The 2nd Way Enterprise Services prepared for the journey was by Building Internal Lean Capacity.

After consolidation, as vacancies opened up, positions were re-allocated to create the agency's Lean Program. This slide reflects the way we've structured our internal Lean capacity.

Consultants are selected for their skills in organizational development, training, conflict management, team dynamics, strategy, facilitation, communication, coaching, and consulting as well as their knowledge of Lean and continuous improvement.

Practitioners are developed for these same skills.

As you'll see further in the presentation, this internal capacity and combination of skills is essential to what we've been able to do in the first 2 years. With great respect and appreciation to the outside consultants who've helped state government on this journey so far. The vision and goal for state agencies should not be dependent upon outside consulting services, instead we should be leveraging our internal talents and skills to grow our own internal Lean capacity. This is what we've done at Enterprise Services.



The 3rd thing we did to prepare for the journey was to get clear about where we are going as a culture and the norms that will help us get there. Our destination is a place where everyone uses Lean thinking, tools and techniques everyday to solve problems. Our consultants take a capacity building approach not an expert approach so that their work moves us to this destination not away from it.

This means...

- Consultants don't "do" Lean projects for their clients.
- We teach our clients to apply the thinking and tools themselves.
- We foster capability not dependency.

It also means that leaders

- Don't expect consultants to be the experts or to do Lean for them or their teams.
- Leaders want to see employees learn and use Lean thinking and tools.
- Leaders learn to coach and mentor those employees.

And teams of employees...

- Retain ownership of the processes and the improvement work.
- They learn to be scientific problem solvers.

- They make decisions about solutions to pilot, not just recommendations.
- And they keep solving problems.



So with the preparation of leaders, with Lean capacity and with clarity about the destination we started our journey. Like most of state government, we focused initially on introducing Lean through Lean projects.

Projects were the doorway to get people on the Lean train. Through projects we built trust, positive regard, enthusiasm, and interest. And this began to show results!



Enterprise Services completed 20 major Lean projects in 18 months and a host of smaller projects. We charter projects and focus on deploying the best Lean methodology for the problem and client.

Value is in not only the “big wins” but also the small continuous improvements that chip away at waste.

Some sample results:

- Finance improved the billing process for CTS core and data networks, reduced rework by 35%. By adopting single line billing, they redirected 5 staff days per month to other value added work.
- Facilities Custodial teams moved product delivery closer to the point of use freeing up 2 hours/week.
- Buildings and Grounds improved the Work Order process by establishing standard work and improving communications with customers.



Projects were the way on the train for the Lean journey.

Next we wanted to begin to broadly introduce daily Lean practices like:

- The improvement routine
- The coaching routine
- Huddles
- Managing with data
- Visual management

At the same time we had the need to do long term agency planning and to get clear on our agency goals and outcomes. Employees were asking for clarity on where we are going as an agency and how they fit in.

So we seized this opportunity to address several of these needs at once.

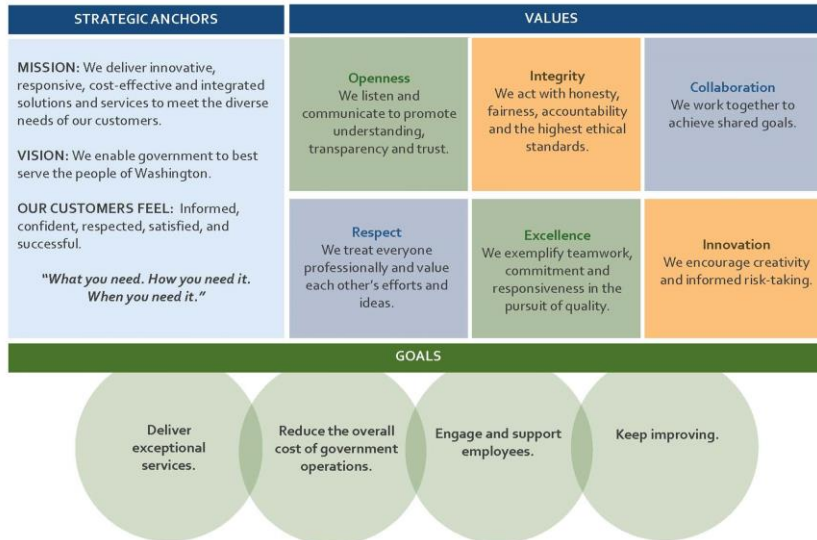


We launched our Enterprise Planning effort. At the last conference, we were intrigued by the model for planning offered by Mass Ingenuity, and by the example at Department of Retirement Systems in Washington and at Department of Administrative Services in Oregon. With that inspiration, our internal consulting staff designed and facilitated our enterprise planning process, taking a grassroots, high-engagement approach. I'm going to show you now what that looked like.

Mission, vision and values



Strategic Clarity 2013



The first step was to refresh our agency's strategic clarity document with renewed employee input. The mission, vision, values and goals define us as an agency and provide overall strategic direction. This is what we are aiming for as an agency. Then we designed a tool and plan to execute agency planning that started at the program level and rolled up to the agency level.

Enterprise Planning: Program Strategy Map Template

| Program Purpose: | | | | | |
|--|---------------------|------------------|------------------|----------------------|------------------|
| Program Hypothesis | | | | | |
| If we do these processes well... | Operating Processes | | | Supporting Processes | |
| | Core Process | Core Process | Core Process | Core Process | Core Process |
| As measured by... (with targets of...) | Measure (target) | Measure (target) | Measure (target) | Measure (target) | Measure (target) |
| Then our outcomes will be... | Outcome | | Outcome | | Outcome |
| | Measure (target) | | Measure (target) | | Measure (target) |

So this is the tool we created: The Program Strategy Map

Each element of the map represents a conversation by the program. It starts with the **Program Purpose Statement** – important for us following consolidation. In many cases we had teams that were formed from 5 different agencies that came together and had to begin to dig in quickly and continue the work of the agency. They'd not had the chance to stop and really form as teams and come to a common understanding of the work they do. This team building step was really valuable for building shared purpose and team identity.

The rest of the template is the what we call the **Program Hypothesis**. The "If – then" statement about the program's work.

It reads like this...

If we do these processes well with a list of core processes
as measured by and lists their measures...

Then the outcomes will be a set of outcomes identified by the team

...as measured by their outcome measures.

It's a logic model for the work of the program.

We taught this model to our entire agency. Here's the thing: We all have a hypothesis about our work. We just don't articulate it. We show up to our work every day and believe that if we do certain things well, we will have some impact on our customers, the state, the world. We even go into the careers we do because of those beliefs. By taking this approach, employees connected planning to the deeply held beliefs and values they hold about their work. Our leaders decided to use this input to develop our agency's outcomes so that we took their beliefs about their work into account. We believe that this approach tangibly demonstrates respect for people.



We took 62 programs through this exercise in 2 months. We were able to do this because we had internal consulting staff to deploy, with the skills, trust and credibility to do this work with the programs.

The consultants took the program map template and facilitated each team through the exercise in a way that worked for each unique program. Now every program has in its hands the thinking and tools to begin to manage with data and to know how their work links to the agency goals and outcomes. Through this process we've emphasized that measures belong to the team. They choose them and then are coached by leaders to refine their measures over time. But the measures belong to the team first.

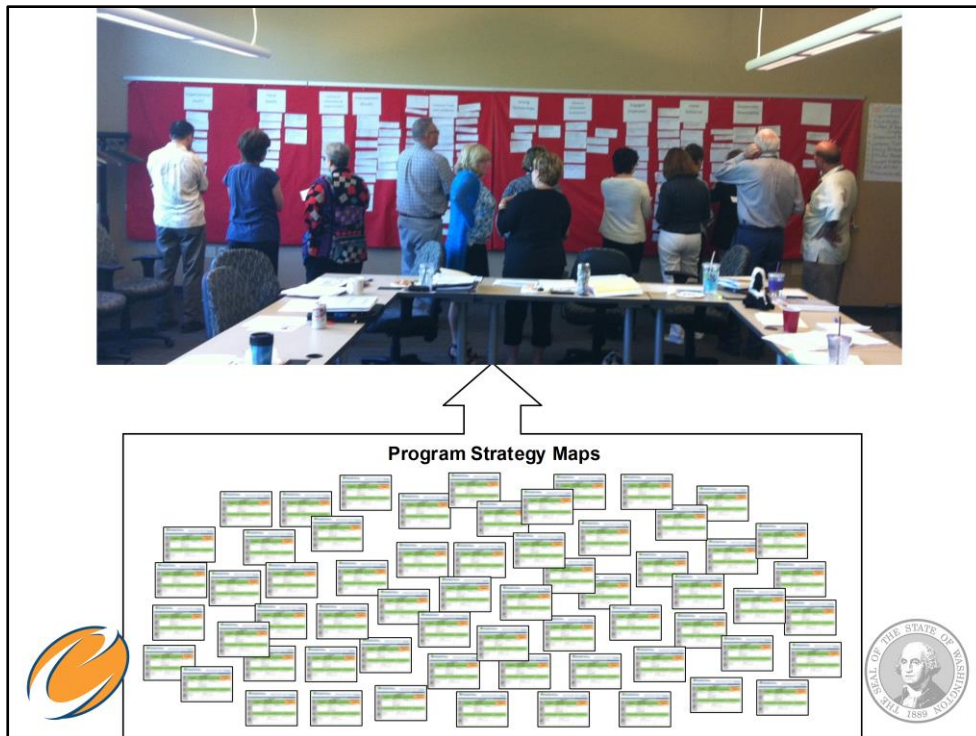
Because the point of measures is not just reporting out or telling our story, but the point of measures is managing daily work with data.



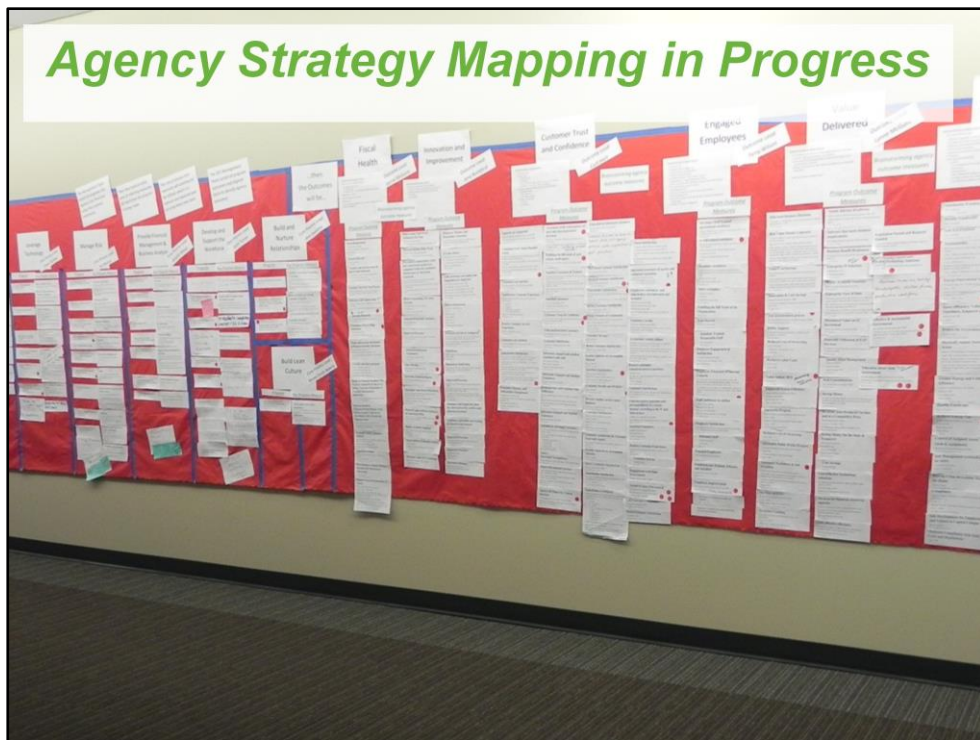
So after completing this program mapping work, we continued to the next stop on our Lean journey...



....which is to create our agency's strategy map.



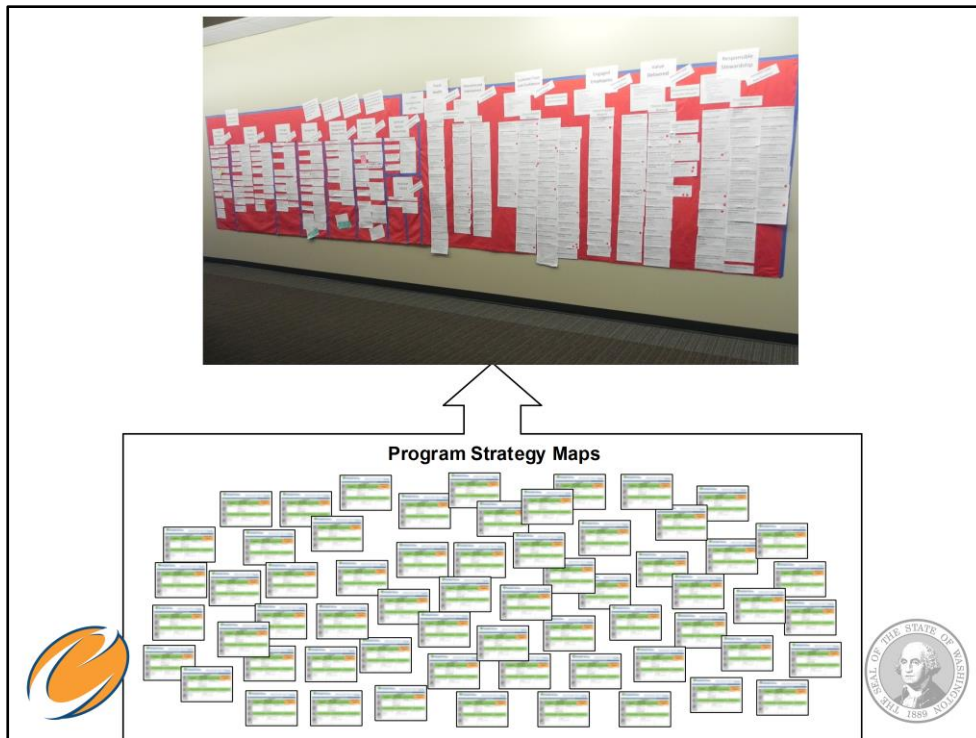
The management team sorted and grouped all the programs and their outcomes to build the elements of the agency's map.



We posted this work in progress so employees could come check it out.

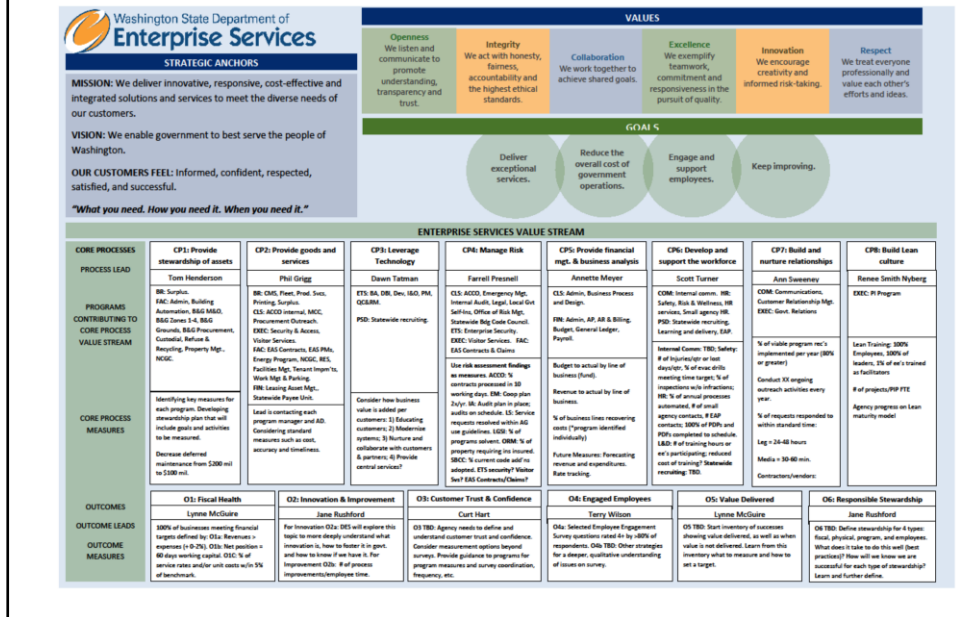


They could find themselves and their colleagues on the map and provide feedback. This created a sense of appreciation for the efforts the management team was making to take their ideas into account.



Finally the management team drafted the agency's strategy map from all this input.

Agency Strategy Map

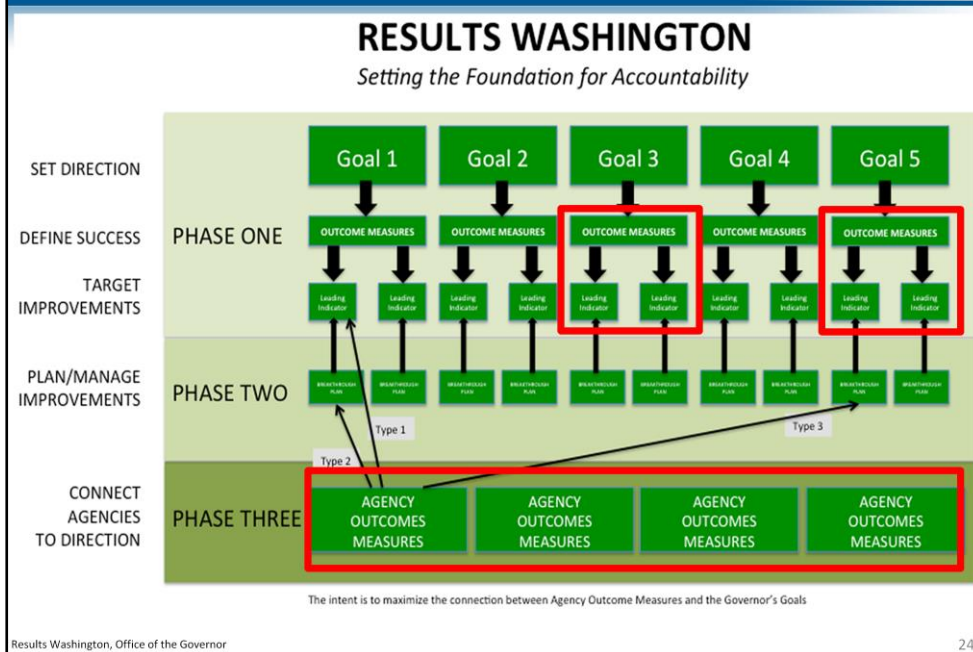


We have a lot of work ahead refining measures and coming to a better understanding of our value streams, the needs of customers and of our outcomes. For example, innovation is one of our outcomes.

But what does innovation look like in a central service agency of state government? How will we know when we achieve it? And how will we measure it?

These crucial discussions will involve all employees using the methods of high engagement our employees have come to expect. We are also adopting the practice of quarterly target reviews, and engaging in collaborative problem solving when measures are off target.

Performance Management



With all this in place, we are ready to contribute to the success of Results Washington. We know how the work of employees contributes from the line level, through core processes, and the agency and up to Results Washington. And we will be able to involve teams directly in contributing to Results Washington.

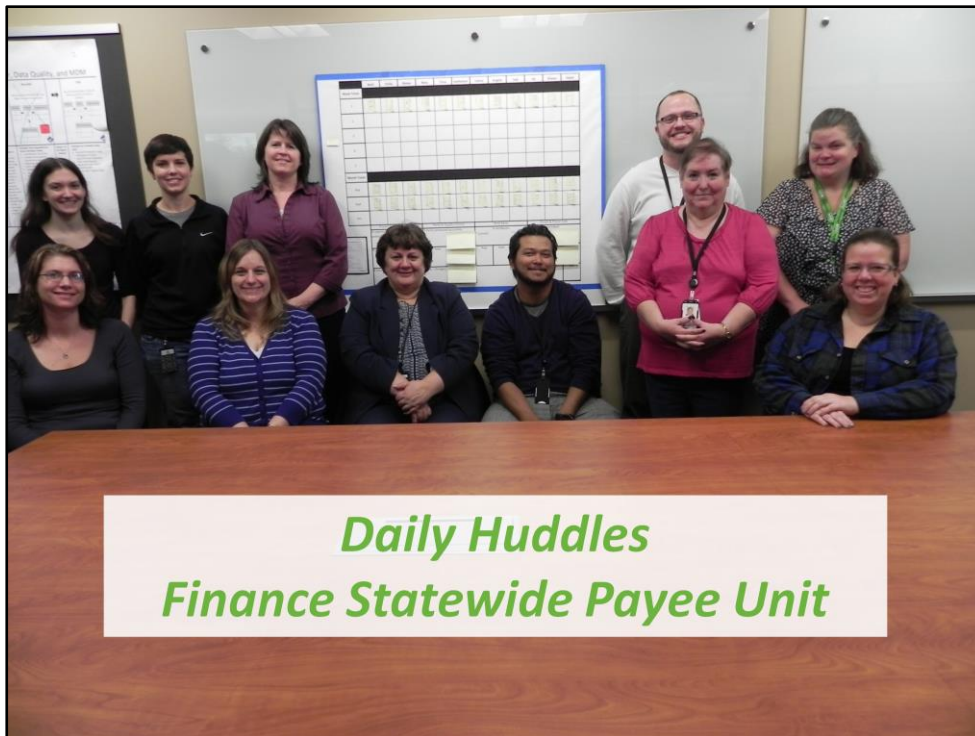


Our Director Chris Liu joined Enterprise Services on June 1. He brought with him a history of Lean practice and a particular passion for deploying the tool of the Daily Huddle by all work teams. It was a perfect time to do this. Every program has identified their processes, outcomes and measures so they were ready to take these into a huddle and begin to learn to manage with data each day.

Today we have more than 110 teams huddling every day.

- Employees lead the meeting.
- Leaders go last.
- Teams start learning to huddle with each person sharing what they did yesterday, what they are going to do today, and what's planned for tomorrow.
- They identify barriers.
- The leader is responsible for ensuring a safe environment to tell the truth about what's happening with their work.
- The format evolves to report on key measures and track real time performance data.
- Benefits of the huddle include learning, communication, real time problem solving.

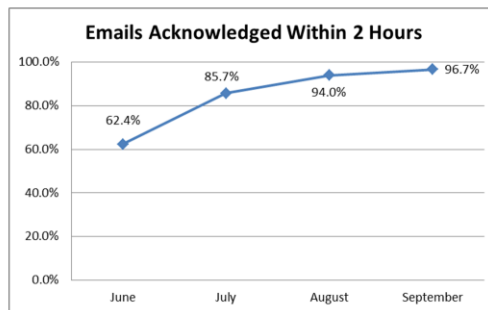
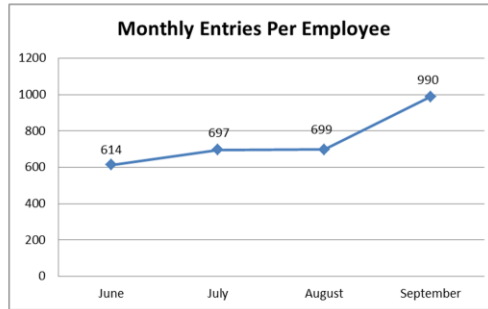
This was introduced across the agency in 6 weeks. We provided training, materials and coaching for Huddle Managers and teams. A few were eager, most reluctant and skeptical, but many are finding real value.



Statewide Payee Unit was like many workgroups. They worked pretty well together, but they were still reluctant to expose issues and had a hard time discussing workload concerns. There was lack of consensus about customer service response standards, so of course those goals weren't being met. Like many Enterprise Services managers, Barb Matson was skeptical about the value of taking time every day to huddle. But they gave it a try anyway and have found many benefits. Now the consistent, efficient communication in the huddle saves time for everyone. The team knows it is safe to tell the truth about the status of their work. Employees are collaborating to manage the work.

- They decide how to help each other if someone is behind.
- They coordinate their leave and coverage and bring that plan to Barb, who is able to focus more on coaching and mentoring.

*Statewide
Payee Unit
improves
productivity and
customer service.*



This is a sample of their results in 4 months. This shows improvements in both productivity and customer service. And their morale and employee engagement are much higher. They are rightly proud of the work they are doing!



Visual management is an important part of daily huddles.



Employees are encouraged to think about what information they want to know about their own work.



The assumption is that given the opportunity, the guidance and a safe environment, employees will use data to improve their own work.

Consistent, Fact-Based
Matrix Reporting
Week of: 10-29-2017
Reported by: SS

| CURRENT STATE | | | | | | |
|--|--------------------|-------------------------|---------------------|----------------------------|------------------------|----------------------------------|
| This Week's Figures | New Claims (Daily) | Claims Resolved (Daily) | Amount Paid (Daily) | | | |
| Monday | | | | Null | Null | Null |
| Tuesday | 12 | 9 | \$2,463.11 | Null | Null | Null |
| Wednesday | 4 | 9 | \$3,421.55 | Null | Null | Null |
| Thursday | 1 | 4 | \$2,280.16 | Null | Null | Null |
| Friday | | | | Null | Null | Null |
| This Week's Totals | 17 | 22 | \$33,669.82 | | | |
| COMPARISON FIGURES | | | | | | |
| | Claims Opened | Claims Resolved | Amount Paid | Shelf-Life Resolved Claims | Shelf-Life Open Claims | Denied Claims Resulting in Suits |
| Prior Week's Figures 1st Tuesday | 34 | 6 | | | | |
| Month to Date Totals 2nd, 3rd, 4th Tuesday | | | | | | |
| Prior Month's Totals 1st Tuesday | | | | | | |
| FYTD Totals 1st Tuesday | 142 | | | | | |
| PYTD Totals 1st Tuesday | 87 | | | | | |



Office of Risk Management

The primary purpose for measures is for employees and managers to make data driven business decisions and to improve their work processes. Visual management in daily huddles helps teams focus on using their measures.



So with Lean thinking, tools and habits beginning to take hold in teams, we are really starting to see remarkable examples of employees improving their work tasks and processes.



Employees are solving daily problems using Lean thinking. At Consolidated Mail Services the team did some root cause analysis and testing of solutions, and was able to reduce the drop-out rate for a certain type of mail inserting job by 66%, decreasing rework and error rates from manual insertion.

Employee Kaizen



Surplus



At Surplus, computers were coming in from one of the community colleges without passwords. This meant Surplus could not charge as much for the computer. An employee took the initiative to improve the intake process ensuring that every computer received has a password. Surplus can now charge \$50 more per computer.



Every journey has its challenges and this one has too! Since we are here in this safe environment with 2000 of our closest friends and colleagues, I know it is safe to share transparently about those challenges.



Confusion

- For employees, all these elements of Lean can feel disconnected and confusing.
- Employees start to think we are going in different directions.
- “Are we doing Lean or are we doing huddles?”
- “Are we doing Lean or are we doing strategy maps?”
- “I thought Lean was about improvements?”
- We have had invest heavily in explaining how all the pieces connect together and are all part of Lean culture.

Communication

- We had a strong focus on communication in the winter and spring, but eased up in the summer.
- We are seeing the impact of that and need to renew our communication efforts.
- This has to be an ongoing continuous effort that doesn’t let up until Lean is the embedded way of life.

Choices

- There are always choices to be made as we build culture
- We can't do it all at once and so we have to choose where to focus our energy.
- We seized the opportunity to do program and agency planning and launch huddles.
- Now we are eager to widely teach the improvement routine to every employee.

Supporting Managers

- For managers this culture change can be particularly upending.
- It means learning new leadership practices like coaching and mentoring.
- They need support and safety while they learn these new skills and develop their own Lean muscle memory.
- Middle managers are essential to successful culture change so we need to be sure not to leave them behind.



Employee Engagement is one of our 4 goals at Enterprise Services. We try to embed this in everything we do. But we were concerned with the challenge of engaging employees from so many different kinds of units with many different organizational dynamics.

For example, in custodial services

- They speak 17 different languages
- Operate 3 shifts on a 24X6 schedule.
- These employees are frankly not used to discussing their purpose, core processes, outcomes or measures.

We weren't sure what would happen or quite how it would work. But we were willing to give it a try, because it was in line with our goal of employee engagement. I had some recent feedback from a Lean colleague at Labor and Industry that provided some insight into how it is going. My friend Roy Plager-Brockway sometimes works later in the evening and he regularly chats with the Enterprise Services custodians that come by his office.

Recently three different custodians told Roy they were excited about what was happening in their work team. They told him they were huddling with their Enterprise Services colleagues from the Buildings and Grounds team. This had improved communication and planning for building alterations and impacts on the custodial staff. And they told Roy managers encouraged them to share improvement ideas. In fact, they changed their cleaning supplies to be more green and environmentally safe. And they told Roy, they had participated in creating their program's strategy map. And now they know how their daily work as custodians contributes to agency's goals and outcomes. As you can imagine this story was music to our ears!



So we will absolutely be extending and deepening the work we've begun and we will be expanding the mission of Enterprise Services Lean Program to provide enterprise Lean support to the rest of state government in a couple ways.

- We are partnering with Results Washington and the Learning Delivery program to develop and offer affordable Lean training through the Statewide Training Center.
- This supports Governor Inslee's Goal 5 of efficient, effective and accountable state government, and leading indicators related to training for employees, leaders and facilitators,.

This training will focus first on equipping employees with the improvement routine and managers with the coaching routine so that together we can reach that outcome measure of increasing the percent of employees who are eliminating wastes in work tasks. That's in Goal 5.

- Also, as efficiencies are gained in our agency in 2014, we'll be offering Lean consulting services to small agencies to support their Lean journeys.



All this is done with our Lean destination clearly in mind, which is a culture where EVERYONE is an expert in Lean. Where everyone uses Lean thinking and improves their work each and every day!

***Director Chris Liu offers his
comments on our Lean
transformation journey.***



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